

HOUSE BILL 2612

By Todd

AN ACT to amend Tennessee Code Annotated, Title 7,
Chapter 51, relative to the resale of certain tickets

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 7, Chapter 51, is amended by adding Sections 2 through 10 of this act as a new part.

SECTION 2. For purposes of this act:

(1) "Jurisdictional boundaries" means the municipal boundaries of a municipality or the unincorporated areas of a county in which this act is effective; and

(2) "Local governmental entity" means the municipality or county, as appropriate, which by ordinance or resolution, as appropriate, adopts this act to apply within its jurisdictional boundaries.

SECTION 3. This provisions of this act shall be effective within the municipal boundaries of any municipality or within the unincorporated areas of any county which adopts the provisions of this act by a two-thirds (2/3) vote of its legislative body.

SECTION 4.

(a)

(1) A person may not resell or offer for resale any ticket for admission to any event at a facility or facilities designated by a local governmental entity and located within the jurisdictional boundaries of such local governmental entity on a public street, sidewalk, public right-of-way, or any other property owned by the local governmental entity, except in the Reselling Zone created pursuant to Section 9 of this act, without first obtaining a license to engage in the business of ticket reselling from the agency designated by such local governmental entity.

(2) The licensee shall carry the license at all times while engaging in the business of ticket reselling, and shall if requested to do so by a law enforcement officer, permit the officer to examine and review the license. Each day's operation of such business without a license shall constitute a separate violation. Each refusal to permit a law enforcement officer to examine and review the license shall constitute a separate violation.

(b) A licensee shall be deemed to have consented to the scanning of any tickets in the licensee's possession by a representative of the sponsor of a subject event to ensure the validity and integrity of any such tickets.

SECTION 5.

(a) An applicant for a license shall file an application with the agency designated by a local governmental entity for a quarterly or annual license in such form as may be prescribed by the local governmental entity. The applicant shall furnish two (2) photographs of the proposed licensee, taken within thirty (30) days preceding the date of application, of a size designated by the local governmental entity, and a copy of such photograph shall be made part of the license.

(b) In the event of loss of a license, the licensee shall file with the agency designated by a local governmental entity a signed and sworn affidavit that the license was lost, or in the case of theft, a copy of the theft report submitted to an appropriate law enforcement agency, and upon payment of fifty dollars (\$50.00) shall receive a replacement license which shall expire on the same date as the original license. All terms and conditions relating to application for an original license, as set forth in subsection (a) shall apply to a replacement license. During the period from the time of loss or theft of a license until issuance of a replacement license, the licensee shall not engage in the business of ticket reselling outside an area as the Reselling Zone. Each and every violation of this prohibition shall constitute a separate violation.

(c) A license or replacement license shall be non-transferable, and any violation of this prohibition shall constitute a separate violation, and a basis for revocation of the license.

(d) A licensee shall operate and conduct business in full compliance with all statutes, ordinances and regulations governing the resale of tickets, and any violation thereof shall constitute a separate violation of the ordinance or resolution adopted by the local governmental entity.

SECTION 6. The following limitations shall apply to any person who has obtained a license to engage in the business of ticket reselling:

(1) Tickets may be offered for resale or be resold only from public sidewalks in areas other than those described in the map referred to in Section 9, except sales to or from a passenger motor vehicle are prohibited if the vehicle is in a traffic lane.

(2) Tickets may not be offered for resale or be resold:

(A) Within any area described in the map referred to in Section 9, except in the Reselling Zone created in Section 9.

(B) Within fifteen (15) feet of a bus stop marked by an appropriate sign or signs.

(C) In any manner that blocks, obstructs or restricts the passage of motor vehicles or pedestrians in the lawful use of the sidewalks, streets, highways or other public rights-of-way, ingress or egress to or from an abutting property, or interferes with the operation of any vendor stand of a person licensed as a vendor by the local governmental entity.

(3) Ticket resellers shall not use a display stand, table, booth, chair or sign other than a hand-held sign for the sale or offering for sale of tickets.

SECTION 7.

(a) The initial license fees for engaging in the trade or business of reselling tickets shall be two hundred dollars (\$200.00) for a quarterly license and five hundred dollars (\$500.00) for an annual license. A quarterly license shall be valid for three (3) months from the date of issuance, and an annual license shall be valid for a period of one (1) year from the date of issuance. All license fees are payable to the agency designated by a local governmental entity at the time of application.

(b) In the first calendar year succeeding the implementation of this act within a local governmental entity and in subsequent calendar years thereafter, the legislative body of such local governmental entity is authorized to alter such fees and the replacement license fee as circumstances may warrant.

SECTION 8.

(a) The legislative body of a local governmental entity shall provide reasonable rules and regulations in the ordinance or resolution for enforcement of this act, as well as providing an appeals procedure.

(b) Such rules shall provide for the revocation of a license for any violation of this act, provided that the license shall be revoked if a licensee has committed three (3) violations within the term of the license or if the licensee has failed to pay any civil fine imposed for violations of this act within fifteen (15) days of imposition of the fine.

(c) A person whose license has been revoked may request a hearing to contest the revocation. The hearing shall be held before an official designated in the enacting ordinance or resolution. The request shall be filed in writing with the official so designated within ten (10) days of the date of notice of revocation. The hearing shall be held within ten (10) days of the request for a hearing, unless the person whose license has been revoked requests a delay, which the official may refuse to grant, or a delay is otherwise warranted in the interests of

justice. At the hearing, all testimony shall be under oath, and a decision shall be rendered within fifteen (15) business days following the end of the hearing.

(d) If the revocation is affirmed, the revocation shall be effective immediately, subject to any rights of appeal available to the licensee. If the person whose license has been revoked fails to request a hearing within ten (10) days of notice of revocation, the revocation shall be effective at the end of the ten-day period.

SECTION 9. A local governmental entity shall clearly describe areas in which tickets shall not be offered for resale or be resold, as well as clearly designating a Reselling Zone in which tickets may be offered for resale or be resold, herein referred to as the "map". Such map shall be available for public inspection in the office designated by the local governmental entity. The Reselling Zone shall be identified by appropriate signage, which may include for the protection of the public, information such as, but not limited to, the validity of tickets. Placement and size of signage shall be subject to any zoning ordinances which apply to signs within the local governmental entity.

SECTION 10.

(a)

(1) Any unlicensed person attempting to resell a ticket outside the Reselling Zone or any licensed person attempting to sell a ticket at an unapproved location shall first be warned and instructed to move back into the Zone, if unlicensed, or to an approved area, if licensed.

(2) If the person again attempts to resell in such an unauthorized manner or unauthorized place, a citation shall be issued to the person stating the ordinance which has been violated and the amount of fine associated with such violation, which shall not exceed fifty dollars (\$50.00).

(b) If after issuance of the citation provided for in subdivision (a) above, the person again attempts to resell tickets other than in an approved location, such conduct is hereby deemed a public nuisance under the ordinance or resolution passed by the local governmental entity relative to public nuisances. A citation shall also be issued to the person stating the public nuisance ordinance that has been violated and the amount of fine associated with such violation, which shall not exceed fifty dollars (\$50.00).

(c) Any person charged pursuant to the provisions of subdivision (a) or (b) shall not be permitted to obtain a license, if unlicensed at the time of the violation, or retain a license, if licensed at the time of the violation in the jurisdiction where such violation occurred.

SECTION 11. The provisions of this act shall not apply to the resale of any tickets to professional sporting events if the owner of such tickets follows the procedures for reselling such tickets established by a team organized under the national football league or national basketball association, or national hockey league.

SECTION 12. This act shall take effect July 1, 2008, the public welfare requiring it.